

PI

ARTICLES

OF

ASSOCIATION

OF THE

PEOPLE'S BANK,

OF THE

CITY OF MONTREAL.



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1833.

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PROFESSIONAL

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Preamble.

To all to whom these presents shall come, be it known and made manifest, that we, the subscribers, have formed a limited copartnership, or "*Société en Commandite*," and do hereby agree with each other to conduct Banking business in the manner hereinafter specified and described, by and under the name and style of the

PEOPLE'S BANK;

And we do hereby mutually covenant, declare and agree, that the following are and shall be the fundamental articles of this our Association and agreement with each other, by which we and all persons who, at any time hereafter, may transact business with the said company, shall be bound and regulated.

I.

The Capital Stock of the said Company shall be seventy-five thousand pounds, current money of this Province, divided into three thousand shares of twenty-five pounds each share; and for the purpose of raising the said capital stock, a book or books shall be opened for subscriptions, and shall continue open until the whole of the said Capital Stock shall have been subscribed.

First Board
of Directors.

The following persons shall compose the first board of Directors of the said Bank, who shall elect a President and Vice-President from among their own number, viz. :—Joseph Valois, of Montreal, M. P., Samuel Dana, of Boston, U. S., Merchant, Charles S. Delorme, of Montreal, Gentleman, John Ward, of New-York, U. S., Broker, Joseph Roy, of Montreal, Merchant, Jacob De Witt, of Montreal, M. P., François Ricard, of Montreal, Gentleman, Hiram Norton, of Prescott, Merchant, John Donegani, of Montreal, Merchant, James C. Peasley, of Stanstead, Merchant, Pierre Beaubien of Montreal, M.D., Benjamin Brewster, of Montreal, Merchant, Jean D. Bernard, of Montreal, Merchant, Abijah Bigelow, of Montreal, Stage and Steamboat proprietor, Edouard R. Fabre, of Montreal, Merchant, Hosea B. Smith, of Montreal, Merchant, John A. Perkins, of Montreal, Merchant.

Provided.

And if either of the said persons shall fail to subscribe for twenty shares of the Capital Stock of the said Bank, or decline to serve as such Director, the remaining Directors shall have the power to fill up such vacancy by their own appointment, and the President, Vice-President, and Directors, shall be capable of serving till the first annual meeting for choice of Directors, with full power and authority to manage the concerns of the said Bank, and shall commence the operations as soon as arrangements can be made, agreeably to the Rules and Regulations hereinafter made and provided.

Every person or persons, copartnership, body politic or corporate, who may or shall become members of this association, may subscribe for such and so many shares as he, she or they, shall think fit; and it is hereby agreed that the shares respectively subscribed, shall be payable in gold or silver coin current in this province.

Installments

The first instalment, which shall be ten per centum on the amount of subscriptions, shall be payable at such

time and place as the majority of the Directors shall order; giving thirty days notice, and the remainder shall be payable in such instalments as a majority of the Directors shall order; but no after instalment shall exceed ten per centum upon the Capital Stock, for the payment of which thirty days notice shall always be given; provided also that each and every subscriber shall be at liberty to pay the whole amount of his, her or their subscriptions, or any part thereof, which he, she or they may see fit, at any time, although the same may not have been called in by the Directors; and every subscriber so paying, shall be entitled to dividends on all sums so paid, according to the time the same shall have been paid in, in the same proportion as dividends are declared on other instalments.

II.

When to
commence
operations.

It is further mutually agreed upon, that whenever the sum of ten thousand Pounds shall have been actually paid in on account of the subscriptions to the said stock, notice thereof shall be given by the Directors, in two Montreal Newspapers, when the Directors may commence the business and operations of the said Bank; but no Bank Bills or Bank Notes shall be issued or put in circulation, nor any Bill or Note be discounted at the Bank, until ten thousand Pounds in gold or silver shall be actually paid in and received, on account of the subscriptions to the said Capital Stock.

III.

To be 17 di-
rectors cho-
sen annually
&c.

For the good management of the affairs of the said Association or Company, there shall be seventeen Directors, who shall be annually chosen by the proprietors of the said capital stock, at a general meeting thereof, to be annually holden on the first Monday in May, at which annual meeting the said proprietors shall vote

according to the rule hereinafter established in respect to voting at general meetings, and the Directors so chosen by a majority, according to such rule, shall choose a President and Vice President from among their own number; and shall be capable of serving as President, Vice-President and Directors, for twelve months, unless any of them shall be removed for mal-administration, and in case of death, resignation or absence from the Province of a Director, for five months at a time, (if such Director reside in Montreal,) his place to be filled up by the remaining Directors, or a majority of them, to serve however, only until the succeeding general meeting as aforesaid; but should any Director be removed at a general meeting of the stockholders, such vacancy shall be filled up by the stockholders. And if at any time it shall happen by accident or otherwise, that the said annual election of directors shall not be made on the day above recited, it shall be lawful at any other time, but as soon as possible, to make such election at a general meeting of the stockholders, specially called for that purpose, and in the manner prescribed,

IV.

Directors
have power.

The Directors for the time being shall have power to appoint such officers, clerks and servants under them, as shall be necessary for the conducting of the business of the said Company, and to allow them such compensation for their services respectively, as shall be reasonable and proper, all which, together with the expenses for building, house-rent and all other contingencies, shall be defrayed out of the funds of the said Company. The said Directors shall likewise be capable of exercising such other powers and authorities, for the well regulating and ordering of the affairs of the said Company, as shall be prescribed by the by-laws and regulations thereof.

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V.

Suits a-
gainst the
company.

All suits brought against this Company (if any shall be) shall be brought against the President for the time being, and in case of his death or removal from office, pending any suit against him, measures shall be taken at the expense of the Company for substituting his successor in office as a defendant, so that persons having demands upon the Company may not be prejudiced or delayed by such event, or if the person suing shall go on against the person first named as defendant, (notwithstanding his death or removal from office) this Company shall take no advantage of such proceedings on that account, and all recoveries had in manner aforesaid, shall be conclusive upon the Company.

In case of any suit at law, the President, for the time being, shall have full power in his own name, in behalf of the Company, to prosecute to judgment and execution, in the manner and form as by the laws of this Province it is provided.

VI.

Rule for vo-
ting.

The number of votes to which each stockholder, or stockholders, copartnership, body politic or corporate, holding stock in the said Company, shall be entitled, on every occasion, when in conformity to the provisions and requirements of these articles the votes thereof are to be given, shall be in the proportion following, that is to say; for one share, and not more than two, one vote; for every two shares, above two, and not exceeding ten, one vote, making five votes for ten shares; for every four shares above ten, and not exceeding thirty, one vote, making ten votes for every thirty shares; and for every six shares above thirty, and not exceeding sixty, one vote, making fifteen votes for every sixty shares: and for every eight shares above sixty, and not exceeding one hundred one vote, making twenty

votes for one hundred shares. But no person or persons, copartnership, body politic or corporate, being a member or members of the said company, shall be entitled to a greater number than twenty votes. And all Stockholders may vote by proxy, if he, she or they, shall see fit, provided that such proxy be a stockholder, and do produce a sufficient authority from his constituent, or constituents, for so representing and voting for him, her or them; provided, also, that no shares of the Capital Stock of the Company shall confer a right of voting either in person or by proxy, which shall not have been holden during three calendar months at the least, prior to the day of election, or of the general meeting where the votes of the stockholders are to be given, but this last election does not apply to any vote necessary within three months of the time of the first subscription.

VII.

Tore-elect
six, &c.

From the Board of President and Directors in office, at least six shall be re-elected for the next succeeding twelve months. None but stockholders, holding at least twenty shares of the capital stock of the said Company, shall be eligible as Directors, and at least nine of the Board of Directors shall be resident in the City of Montreal, but not more than thirteen.

VIII.

No Director shall be entitled to any salary or emolument, unless the same shall have been allowed by the stockholders, at a General Meeting.

IX.

Quorum,
Pres. how to
vote.

Not less than five Directors shall constitute a Board for the transaction of business. In case of the absence of the President and Vice-President, their places may be supplied by any other Director whom the

Board may appoint for the time being. The President shall vote at the Board in all matters of discount, the same as the Directors, but on no other question shall he have a vote, except there be a tie, when he shall have a casting vote.

X.

How to call
general meet-
ings.

Any number of stockholders, not less than twenty, who, together, shall be proprietors of four hundred shares, shall have power at any time, by themselves or their proxies, to call a general meeting of the stockholders, for objects relative to the said Association, giving at least four weeks notice thereof in at least one of the newspapers published in this city, and specifying in such notice the time and place for such meeting, with the object or objects thereof; and the Directors or any six of them, shall have the like power at any time, upon observing the like formalities, to call a general meeting as aforesaid; and if the object for which any general meeting, called either by the stockholders or Directors as aforesaid, be to consider a proposal for the removal of the President, or other Director, or Directors, for mal-administration, then and in such case, the person or persons so proposed to be removed shall, from the day on which such notice shall first be published, be suspended from the execution of the duties of his or their office; and if he be the President, his place shall be filled up by the remaining Directors, to serve during the time of such suspension.

XI.

Bonds of of-
ficers.

Every Cashier and Clerk of the Bank, before he enters on the duties of his office, shall give bond with two or more sureties, to the satisfaction of the Directors, that is to say, every Cashier in a sum not less than five thousand pounds, with condition for his good and faithful be-

havior, and every clerk with like condition and sureties, in such sum as the Directors shall consider adequate to the trust to be reposed in him, but no Director shall be surety for such cashier, clerk or servant.

XII.

Of Mortgages.

The Company shall not on any account lend money upon mortgage, or upon lands or other fixed property. It shall, nevertheless, be competent for the Directors, in behalf of the Company, to take and hold mortgages on property, by way of additional security for debts contracted with the said Company, in the course of its dealings, or purchase and hold property so mortgaged, or such property as may be necessary for the transactions of the said bank but not otherwise.

XIII.

Amount the Company shall owe.

The total amount of the debts which the Company shall at any time owe, whether by bond, bill, note, or other contract whatsoever, shall not exceed four times the amount of the capital stock paid in. It is however understood that these restrictions are to have no reference to the money deposited in said bank for safe keeping, and in case of excess, the Directors under whose administration it shall happen, shall be liable for the same in their natural and private capacities, but it shall not exempt the Company, or the lands, tenements, goods or chattels thereof from being also liable for such excess. Such Directors, however, as shall have been absent when the said excess was contracted, or shall have entered their protest against it upon the minutes of the proceedings of the Board, may respectively exonerate and discharge themselves therefrom by pleading and proving such absence, or shewing such minutes, and it shall be the duty of the Cashier to keep a record of the names of such Directors as are present at every meeting, it being

Liabilities of Directors.

At the
tion of
Bills.

distinctly understood that the Stockholders, not being acting Directors, (*Directeurs gérans*) shall not be answerable beyond the amount by them subscribed either in case of excess, as aforesaid, or otherwise.

XIV.

Transfer.

The shares of the capital stock shall be assignable and transferable, according to such rules and forms as may be established in that behalf by the Board of Directors, but no assignment or transfer shall be valid or effectual, unless such assignment or transfer shall be recorded in a book or books to be kept for that purpose, nor until the person or persons making the same shall previously discharge all debts payable by him, her or them, to the said Company, which may exceed in amount the remaining stock belonging to such person or persons, except it be by the consent of the Board of Directors, and in no case shall any fractional part of a share, or other than a complete share or shares, be assignable or transferable. And it is hereby expressly agreed and declared, that any stockholder who shall transfer as aforesaid all his stock or shares in this Company to any other person or persons whatever, shall *ipso facto* cease to be a member of this Company, and that any person or persons whatever, who shall accept a transfer of any share in this Company, shall *ipso facto* become a member of this Company according to these articles of association; provided always, that all such transfers shall be made *bona fide*, and not with the intention of dividing shares to create fraudulent votes.

XV.

At the station of the Bills.

All Bills, Bonds, Notes, and every contract and engagement on behalf of the Company, shall be signed by the President, and countersigned or attested by the Cashier of the Company; and the funds of the Company

shall in no case be held responsible for any contract or engagement whatever, unless the same shall be so signed and countersigned or attested, as aforesaid.

XVI.

Books and
Correspond-
ance.

The books, papers and correspondence, and the funds of the Company shall at all times be subject to the inspection of the Directors, but no stockholder or Director shall inspect the account of any individual with the Company, but by the consent of the Board.

XVII.

Dividends
& statements

Half-yearly dividends shall be made of so much of the profits of the Company as shall appear to the Directors advisable, and shall be payable at such place or places as the Directors shall appoint, of which they shall give public notice in at least two newspapers published in this city, at least thirty days before, and the Directors shall every year, at the general meeting for the election thereof, lay before the stockholders, for their information, an exact and particular statement of the amount of the debts due to and by the Company, specifying the amount of Bank Notes then in circulation, and the amount of such debts as in their opinion are bad or doubtful, as also stating the surplus or profit, if any, remaining, after deducting losses and providing for dividends.

XVIII.

Defaulters.

On failure of the payment of any of the instalments due to the said Company, the Directors may immediately advertise the stock of such defaulter in one or more of the newspapers of this city, and after two publications, giving at least fifteen days notice thereof, may proceed to the sale of the same, and after deducting all expenses, together with all demands the said Company may have against such defaulter, shall pay the balance, if any there be, to said defaulter, or to his legal representative.

XIX.

The Com-
pany to deal
in &c.

The said Company shall not, directly or indirectly, deal in anything except as provided for in the twelfth article; and excepting also gold or silver bullion, or in the sale of goods really and truly pledged for money lent, and not so redeemed in due time, or in the sale of stock pledged for money lent, and not so redeemed, which said goods and stock so pledged and not so redeemed, shall be sold by the said Company at public sale, at any time not less than fifteen days after the period for redemption; and if, upon sale of such goods or stock, there shall be a surplus, after deducting the expenses of sale, over the money lent and interest, such surplus shall be paid to the proprietors thereof respectively. This Company may also deal in Bills of Exchange.

XX.

Bye Laws.

The Board of Directors are hereby further empowered to make such other By-Laws and Regulations, for the government of the affairs of the Company, and that of their officers and servants, as they, or a majority of them, shall from time to time think expedient, not inconsistent with law, or these Articles of Association; but the same shall not be binding until sanctioned by a general meeting of the stockholders, who, if called for that purpose, shall have four weeks notice.

XXI.

Société en
Commandite

No Stockholder or Stockholders (or Directors not residing in Montreal,) shall be answerable in his, her, or their private capacity, for the debts of this association, beyond the amount by them subscribed, excepting the (*Directeurs gérans*) Directors acting in Montreal, who shall be responsible for all the transactions by them made or sanctioned, according to the rules of the "So-

ciété en Commandite." It being distinctly understood that no stockholder or stockholders, residing or not residing in Montreal, and not being *Directeur Gérant*, or acting Director, shall be answerable beyond the amount subscribed as aforesaid.

XXII.

Expiration.

This Association shall continue until the first day of January, One Thousand Eight Hundred and Fifty, and no longer; but the proprietors of two-thirds of the capital stock of the Company, may, by their concurring votes, at a general meeting to be called for that express purpose, revise or alter these articles, or any of them, or dissolve the Company at any prior period, provided that notice of such meeting and its object shall be published in at least two newspapers in this city, for six months previous to the time appointed for such meeting. It is hereby further agreed, that an early application shall be made to the Provincial Parliament for an Act incorporating this Company, if it is judged necessary.

XXIII.

After the
dissolution of
the Association

Immediately on the dissolution of this association, effectual measures shall be taken by the proprietors for closing all the concerns of the Company, and for dividing the capital and profits which may remain, among the stockholders, in proportion to their respective interests.

In witness thereof we have hereunto subscribed our names and firms, at Montreal, this day of August, one thousand eight hundred and thirty-three.

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